

The Financial Times of Indiana

News from the Office of Governor Frank O'Bannon

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Historic: The Bill is Law

Surrounded by hundreds of Hoosiers, Governor Frank O'Bannon signed House Bill 1001ss into law on Monday, calling it an unprecedented bipartisan effort that is good for Indiana. The law:

- Cuts property taxes for Hoosier homeowners, farmers and businesses;
- Protects Indiana classrooms from more budget cuts and keeps Indiana on the path of progress that has brought it national acclaim;
- Creates new jobs for Hoosiers by growing new Hoosier companies; and
- Gives the state some budget relief to ensure essential state services can be continued

The law represents more than a year of planning, working, negotiating and debating how to address what House Ways and Means Chairman B. Patrick Bauer called the "twin crises" facing Indiana: the Indiana Tax Court ordered reassessment and the recession-driven budget crisis.

Reflecting the bipartisan and diverse group of supporters of the issues, more than 200 people crowded into the governor's office to witness the signing of the bill.

"A lot of people thought this bill would never get to this desk; because of special interests, economic interests, political interests, and philosophical differences," the governor said. "But your presence here today, and the bill's presence here on this desk, I think speaks volumes for the future of the state of Indiana."

Lieutenant Governor Kernan echoed the governor's remarks and lauded the hard work, which resulted in "the most sweeping and comprehensive tax reform package in the history of Indiana." It would also, he said, help create new jobs and help Indiana flourish in the years to come.

Moments before signing the bill, the Governor invoked the name of Dr. Martin Luther King, Jr., and paraphrased a quote from the civil rights leader: "Cowardice asks, is it safe? Vanity asks, is it popular? Experience asks, 'is it politic?' But conscience asks, is it right?" the governor said, continuing, "There comes a time when a person must do something, not because it is safe or popular or politic. They must do it because it is right."

And in his own words, the Governor said, "This bill is the right thing to do for Indiana, and I am happy to sign it."

What Others Are Saying

Leadership when it counted

"If Indiana Gov. Frank O'Bannon ever despaired of winning legislative support for measures intended to balance the state budget, to make Indiana businesses more competitive and to head off potentially huge property tax increases, he never let on. Instead, O'Bannon quietly persisted, making public statements and meeting privately with legislators, until he achieved his goal. Beginning last fall, the governor traveled the state in a determined effort to spread his three-pronged message of tax restructuring, property tax relief and improving the state's business climate.... It is difficult to single out from among 150 members of the General Assembly those individuals most deserving of praise, although we believe every legislator who risked election-year criticism by voting in favor of a measure containing a tax increase deserves a pat on the back. And we know that state Rep. B. Patrick Bauer, D-South Bend, chairman of the Ways and Means Committee, and state Sen. Lawrence Borst, R-Greenwood, Finance Committee chairman, contributed greatly to the final outcome. It is likely, however, that no one contributed more to the process than the governor himself. We suggested not long ago that, ultimately, successful passage of a tax and budget package would depend upon O'Bannon providing the necessary leadership. And, when it counted, that is what the governor did."

South Bend Tribune, editorial, 6-30-02

Lawmakers deserve praise for tax bill-Editorial

Hoosiers owe a vote of thanks to the state lawmakers who voted for the tax restructuring bill. Like any legislative measure, there were some good things and some bad things in the proposal. But there were enough positive aspects for a majority of lawmakers to endorse the plan, which deserves support as a compromise measure.... It is a good bill and addresses both the budget deficit and restructures taxes. State officials have worked long and hard on this historic measure, and the effort should help give businesses a competitive edge and also reduce the reliance on property taxes

Goshen News, editorial 6-25-02

Budget News From Around the Nation

Tennessee lawmakers miss deadline; state partially shuts down

The Tennessee House of Representatives shunned and defeated a tax plan last night that would have let voters decide in November whether they wanted to fund state government through an income tax or through a higher state sales tax. That led to a partial shutdown of state government today and threw the outlook for balancing the state budget into further disarray.

About 22,000 state workers who are deemed nonessential will not be reporting to work today as part of the partial state shutdown, after the General Assembly failed by midnight to approve a budget before today's start of the fiscal year. That left the state without money to pay most employees.

Shortly before midnight, Gov. Don Sundquist signed "with regret" the emergency services bill that temporarily lays off and shuts down part of state government.

"I can't believe after exhaustive debate after four regular sessions and two special sessions the General Assembly still hasn't made a decision," Sundquist said. "The result is a partial shutdown that ignores the short-term and long-term needs of our state. ... Every day we puts this off does more damage to Tennessee families." The full story: <http://www.tennessean.com/government>